



**THE INSTITUTE OF
CHARTERED ACCOUNTANTS OF INDIA**

(Set up by an Act of Parliament)

PUNE BRANCH OF WIRC OF ICAI

NEWSLETTER

Issue No. 4

April 2021

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PUNE BRANCH OF WIRC OF ICAI

List of Recorded Programmes held in the Month of March 2021 Available on Pune ICAI YouTube Channel

SR. NO.	DATE	TOPIC	SPEAKER	LINK
1	1st March, 2021	Faceless Assessment and Drafting Skills with Practical Approach	CA. Rohit Ranade	https://youtu.be/OTIptdyq3ik
2	2nd March, 2021	Professional Ethics in Cyber Age	CA. Dheeraj Sharma	https://youtu.be/f8TKvA2Sveo
3	3rd March, 2021	CA Office – Discussion on Must Have Policies and Processes (Non-Technical)	CA. Parag Rathi	https://youtu.be/-fiimP19gFE
4	4th March, 2021	Startups - An Emerging Opportunity for CAs	CA. Pravina Oswal	https://youtu.be/hnCVwg873GI
5	5th March, 2021	Opportunity In Export of Services	CA. Aniket Talati	https://youtu.be/SvUzzpNe5Nw
6	6th March, 2021	Basics of Insolvency and Career in it	CA. Dinesh Mundada	https://youtu.be/bCkCCWStvW8
7	7th March, 2021	Risk and Controls for MSME	CA. Prabhat Jain	https://youtu.be/M2uU18tUC6E
8	20th March, 2021	Investor Awareness Programme on "Communication with Money"	Ms. Aarti Navandar Rathi	https://youtu.be/chIpr2S08g8
9	22nd March, 2021	Virtual Programme on GST on Real Estate	CA. Yashwant Kasar	https://youtu.be/W5-bdAxGqeY
10	29th March, 2021	Virtual Programme on Holi Ke Rang Sher-o-Shayari Ke Sang jointly with Akola, Ahmednagar & Aurangabad Branches of WIRC of ICAI	Chief Guest :- CA. Charanjot Singh Nanda, CCM-ICAI Poets :- <ul style="list-style-type: none"> • CA. Julfesh Shah, Nagpur • CA. Dhiraj Sharma, Gurgaon • CA. Shweta Phatak, New Delhi • CA. Payal Zanwar, Chhitodgad Anchor :- Shri. Shekhar Kaushik	https://youtu.be/vOlkzSAzjmA

Seminar on "Enterprise Management for Women CAs"



From L to R :-

CA. Ruta Chitale, MCM - Pune ICAI, CA. Sameer Ladda, Chairman - Pune ICAI,
Ms. Prachi Gadgil - Speaker, Dr. Palak Deshmukh - Guest,
CA. C. V. Chitale, CCM - ICAI & CA. Amruta Kulkarni - MCM - Pune ICAI



Ms. Prachi Gadgil - Speaker & Participants

Chairman's Communique

Dear Members,

As I write this Sanvad, we are under unprecedented lockdown due to global pandemic COVID 19 - Corona Disease. I hope all of you are staying at home and taking due care for safety of your good self and loved ones.

Let me share with you that, Pune ICAI has proactively taken initiatives to Vaccination camp for 45+ ages at Rao Nursing Home, Bibwewadi. I am happy to announce that Pune is the first branch in India who has initiated this step.

Pune ICAI has been a pioneer branch to undertake survey to evaluate impact of Corona on CA's office. As you are aware government has taken measures by relaxing the compliance due dates it would be great relief for all CA offices. Majority of suggestions and representations from ICAI were accepted by the government. We had also organised e-meeting of various firms across Pune to understand problems that have occurred due lockdown in CA offices.

We are arranging series of e-seminars for our members keeping them abreast with professional updates. Organised series for young members, celebrated women's day, 2 days Audit Bank Conclave. As an informal networking event we have organised Virtual entertainment Programme on **Holi Ke Rang Sher-o-Shayari Ke Sang** along with other branches.

You would be glad to know that our branch is not only active for organising e-meetings but also carrying of CSR activities by helping its students and members. We are organising plasma donation camp & medical service for members & students. Many members, students have contributed in the best possible way for this Nobel cause.

As new financial year has started I would humbly like to remind you for payment of your Membership Fees for the year 2021-22. Please log on to SSP portal of ICAI and pay the same. Should you require any help please let us know. I would also like to take this opportunity to appeal you to contribute to CA Benevolent Fund (CABF).

The kind of mental stress we all are be going through and worrying about our office calendar due to this lock down. I would say सरसलामत तो पगड़ीपचास, please bear with the situation ये वक़्त गुजर जायेगा and we would come out victorious against the pandemic war.

Stay Home, Stay Healthy and Stay Safe.

Happy to Serve,

CA. Sameer Ladda,
Chairman, Pune ICAI



CA. Sameer Ladda
Chairman
Pune Branch of WIRC of ICAI

Past Chairman's Communique

- Chairman of the Pune Branch for 2 years 1985-86 and 1986-87
- Elected Member on the Branch Managing Committee for 6 years, 1985-86 to 1990-91
- Elected Member on WIRC Managing Committee, Mumbai for 6 years, 1991-92 to 1996-97
- Elected Member on the Council, New Delhi for 3 years, 1997-98 to 2000-01

Sense of Pride-

Yes, Pune Branch has achieved great heights during last 50 years. I am feeling proud for being a Member thereof and also for being a Contributor, to a small extent, in this noteworthy Journey.

Looking back-

35 years ago, during my tenure as a Branch Chairman for 2 years and in the tenure of total 6 years on Branch Managing Committee, we as a team, achieved many FIRSTs in the important areas of Infrastructure, Awards and Services to Members and Students. My further tenures as an Ex officio Member for 6 years from WIRC, Mumbai and further 3 years as Ex Officio Member from COUNCIL, New Delhi, gave me further opportunities not only to know more about ICAI functioning but also to contribute more and more towards the wellbeing of the Profession, the Professionals, the Students and also the Pune Branch..

I recollect the horrifying situation when the Branch had been allowed use of a small "Tapari" (Wooden store room) of approx. 30 to 35 Sq Ft. on the playground of S. P. College, (which store room is normally used for storing sports materials). Of course the priorities were quite clear-!

Many Firsts-- The Achievement Highlights-

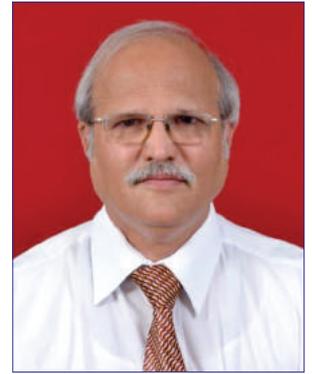
Acquisition of infrastructure in the form of purchase of own premises for the first time, Performance Awards from Central level and Regional level for the first time, Setting up the Branch activities in an orderly manner with appropriate staff, grants from ICAI, Newsletter circulation for the first time, Holding a record number of lectures for the first time and Excellent services to members and students.

Strong base created - Awards-

During my Chairmanship, the Pune Branch purchased the premises, in the heart of the city at Appa Balwant Chowk. We had collected donations from the Members and also had obtained matching grants from ICAI. The infrastructure included a furnished office with arrangements for Library, for Meetings, for office use and for holding small seminars. The Members of Pune displayed their trust on the Managing Committee members as a team who had taken enormous efforts. There were no mobile phones, no laptops and no concept of CPE hours in those times. A lot of seminars, workshops, and lecture meetings were arranged by inviting the best available faculty members on the topics of interest to members and students. A lot of efforts had to be taken to make the members aware of new upcoming areas of work and of eminent faculties for the purpose of ensuring good attendance. A regular Newsletter was put into place and steps were taken to obtain all available grants from ICAI for various objectives. Slowly certain additional staff was recruited. The requirements of students were given proper attention and importance.

The Branch had obtained two prestigious awards in two years - Initially the Best Commendable Performance Award at HO level and followed by the BEST BRANCH Award in the subsequent year.

Of course the guidance and help offered in the initial years from time to time by seniors like CA V. G. Dadhe, CA V.S. Bhide, CA Kitekar, , CA Dabke, CA B.K. Khare, CA Y.M.Kale, CA S. B. Zaware, CA J. S. Rathi, CA S.B. Pandit, CA Madane, CA Suresh Mehta, and colleagues like CA Sunil Phadnis, CA S. P. Raykar, CA M. Ganeshan, CA Sharad Joshi, CA Dilip Satbhai and many others need be noted.



CA. Shashikant Vasudeo Barve
Past Chairman (1985-1987)
Pune Branch of WIRC of ICAI

All above activities contributed in Pune Branch getting noticed at the Central level as an important Branch and they also established a sound base for the great developments that happened in subsequent years. Subsequently as an Ex Officio Member of WIRC for 6 years and Ex Officio Member of Council for 3 years I could offer guidance and help as and whenever required by the Branch, for the activities for the benefit of the Members and the Students.

Geared up to meet challenges--

Pune Branch has achieved a lot in terms of services to Members and Students. Good infrastructure and training facilities have been established. Lot of events are being organized in the interest of the members and students. There are adequate representation for Pune both at the Regional and at the Central ICAI level. The expectations also are on rise. There are thousands of Members and Students who have been getting good services from the Branch and they are looking forward to getting more and more types of services from ICAI . Requirements of the Members both those older in age and those young in age as also of those in practice and those in service are expected to be identified and addressed with care. Image of the profession needs be strengthened. Code of Ethics would need be followed both in letter and spirit. Steps need be taken to attract students/ talent to the profession. The important factors can be like--Knowledge sharing events in upcoming technology areas, Work Opportunities, Foreign qualifications and foreign employments, Establishment of Technology Infrastructure.

Commitment-!

Yes, Pune Branch has a glorious past and a very bright future. It is geared up to meet the expectations of the stakeholders. I look forward to Pune Branch achieving further greater heights-! And of course, myself, along with many other Members from Pune, are willing to offer our contributions whenever needed-!



2 Days Audit of Banks Conclave



CA. Ketan Saiya
Speaker



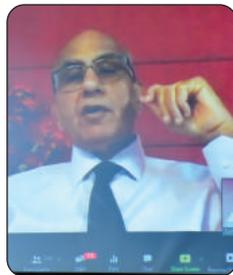
CA. Kiran Kunte
Speaker



CA. Dilip Satbhai
Speaker



CA. Sanat Chitale
Speaker



CA. Amarjit Chopra
Speaker



CA. Shashank Patki
Speaker



Panel Discussion from L To R :- CA. V. P. Srivastav - Panelist,
CA. Pashant Tidke - Moderator,
CA. Sameer Ladda, Chairman - Pune ICAI, CA. Shrinivas Y Joshi - Panelist,
CA. Abhay Mate - Panelist, CA. Amruta Kulkarni, MCM - Pune ICAI



Participants

Workplace Sexual Harassment Law in India

Contributed by :- CS Dhaval Gusani

Email :- dvg.pcs@gmail.com

Introduction and Evolution

India, being primarily patriarchal society, considered the women suitable for household work and child care work. Thanks to the Globalization, Education and women entrepreneurs, there is a sharp increase in female participation ratio in Indian workforce since last 20 years. With the rapid influx of women in Indian workforce, it is imperative for the legislators to have a sound regulatory framework which protects women from all type of discrimination and harassment to achieve the object of gender equality and social justice as enshrined in the Constitution of India. The protection against sexual harassment and the right to work with dignity are universally recognised human rights by international convention such as 'Convention on the Elimination of all Forms of Discrimination against Women'.

Workplace sexual harassment is a form of gender discrimination which violates a woman's fundamental rights of Equality before law (**Article 14**), Non-discrimination on grounds of sex (**Article 15**), Freedom to practise any profession or to carry on any occupation, trade or business [**Article 19(1)(g)**] and Protection of life and personal liberty (**Article 21**) guaranteed by the Indian Constitution. In addition, the principle of gender equality is enshrined in the Constitution in its preamble, fundamental rights, fundamental duties and directive principles of state policy.

India has ratified the Convention on the Elimination of all Forms of Discrimination against Women (hereinafter referred as "**Convention**") on the 25th June, 1993 which cast liability on member states to undertake a series of measures to end discrimination against women in all forms, including:

- to incorporate the principle of equality of men and women in their legal system, abolish all discriminatory laws and adopt appropriate ones prohibiting discrimination against women;
- to establish tribunals and other public institutions to ensure the effective protection of women against discrimination; and
- to ensure elimination of all acts of discrimination against women by persons, organizations or enterprises.

Despite signing of convention in 1993, the then Government did not take any steps to formulate an anti-sexual harassment law. In 1997, the Supreme Court of India, for the very first time, defined the workplace sexual harassment in its landmark judgment of *Vishakha and Ors v. State of Rajasthan*. (AIR 1997 SC 3011) (hereinafter referred as "**Vishakha Judgment**") In this case, the Supreme Court set guidelines making it mandatory for every employer to provide a mechanism to redress grievances pertaining to workplace sexual harassment for employers and also issued directions to the Union of India to enact an appropriate law for combating workplace sexual harassment.

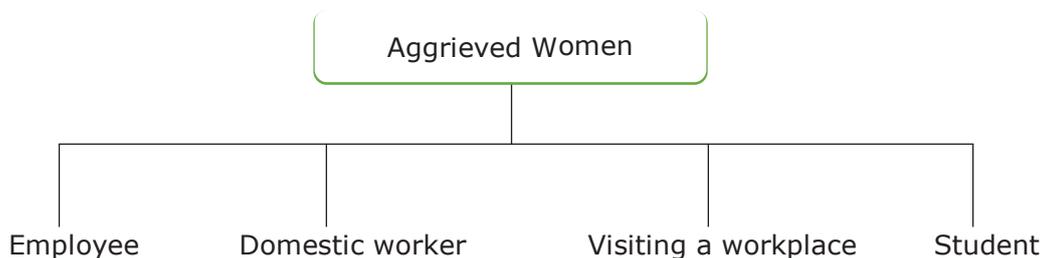
Ratification of Convention in the year of 1993 and pursuant to the direction of the Supreme Court in Vishakha Judgement in the year of 1997 both leads to the enactment of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" (hereinafter referred as "**POSH Act**"), with the twin objectives of protection of women against sexual harassment and provide mechanism for redressal of Complaints of sexual harassment.

Provision of the POSH Act

Applicability

The POSH Act protects any aggrieved women from sexual harassment. Aggrieved women not just includes an employee but also includes non-working women like student or one who is visiting any place of work for other reasons.

The term employee as per Section 2(f) of the POSH Act, means a person employed at a workplace for any work on regular, temporary, ad hoc or daily wage basis, either directly or through an agent, including a contractor, with or, without the knowledge of the principal employer, whether for remuneration or not, or working on a voluntary basis or otherwise, whether the terms of employment are express or implied and includes a co-worker, a contract worker, probationer, trainee, apprentice or called by any other such name.



The POSH Act applies to both the organized and unorganized sectors. It inter alia, applies to government bodies, private and public sector organizations, non-governmental organizations, organizations carrying out commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals and also applies to a dwelling place or a house.

Sexual Harassment

The POSH Act defines sexual harassment in line with the Supreme Court's definition in the Vishakha Judgment. As per Section 2(n) of the POSH Act, 'Sexual Harassment' includes such unwelcome sexually determined behavior (whether directly or by implication) as:

- Physical contact and advances;
- Demand or request for sexual favours;
- Making sexually coloured remarks;
- Showing pornography;
- Any other unwelcome physical, verbal or nonverbal conduct of sexual nature.

Any unwanted and unwelcome direct or implied sexual conduct which may be physical, verbal or even written are included under the ambit of sexual harassment. However, sexual harassment is a subjective experience due to different perspectives of men and women. Many a times, conduct that many men consider unobjectionable may offend many women. While determining what constitutes 'sexual harassment', a committee has to look upon the specific facts and the context in which the conduct has been occurred.

Workplace

As per Section 2(o) of the POSH Act, "workplace" includes—

- any department, organisation, undertaking, establishment, enterprise, institution, office, branch or unit which is established, owned, controlled or wholly or substantially financed by funds provided directly or indirectly by the appropriate Government or the local authority or a Government company or a corporation or a co-operative society;
- any private sector organisation or a private venture, undertaking, enterprise, institution, establishment, society, trust, non-governmental organisation, unit or service provider carrying on commercial, professional, vocational, educational, entertainment, industrial, health services or financial activities including production, supply, sale, distribution or service;
- hospitals or nursing homes;
- any sports institute, stadium, sports complex or competition or games venue, whether residential or not used for training, sports or other activities relating thereto;
- any place visited by the employee arising out of or during the course of employment including transportation by the employer for undertaking such journey;
- a dwelling place or a house.

In the case of *Gaurav Jain v. Hindustan Latex Family Planning Promotion Trust and Ors*, (2015 SCC OnLine Del 11026), Bombay High Court held that Outstation visit for work is also workplace and any harassment during such visit is also covered under the act.

Constitution of Internal Complaint Committee

Every employer having 10 or more employees shall require to constitute a committee known as 'Internal Complaint Committee' (hereinafter referred as **"ICC"**) for each of its office, branch or administrative units which shall be comprised of the following:

- Presiding Officer - Senior level women employee of the workplace;
- Not less than 2 Members - Amongst the employees committed to the cause of women or who have had experience in social work or have legal knowledge;
- 1 member - Amongst NGO or associations committed to the cause of women or a person familiar with the issues relating to sexual harassment.

It is to be noted that at least half of the total members of ICC shall be women. The term of the Presiding Officer and other members of the ICC is up to 3 years. As far as possible, the ICC should comprise of women members who have been trained on the POSH Act and POSH Rules and their roles and responsibilities. As far as possible, provide the ICC separate space for conducting their meetings and maintaining records of cases of sexual harassment. Some states like Maharashtra, Telangana mandates registration of Internal Complaint Committee with the Government.

Complaint Mechanism

An aggrieved woman who intends to file a complaint is required to submit 6 copies of the written complaint, along with supporting documents and names and addresses of the witnesses to the ICC, within 3 months from the date of the alleged incident. It is advisable to report an act of sexual harassment as promptly as possible because prompt reporting makes it more authentic and swift action can be taken by the committee. The law also makes provisions for friends, relatives, co-workers, psychologist & psychiatrists, etc. to file the complaint in situations where the aggrieved woman is unable to make the complaint on account of physical incapacity, mental incapacity or death. The Complaint should be addressed to the presiding officer of ICC mentioning each incident with date and time very concisely and precisely.

Conciliation

Before initiating action on a complaint, the ICC on the request of the aggrieved woman, can make efforts to settle the matter between the parties through conciliation by bringing about an amicable settlement. Where settlement has been arrived between aggrieved women and respondent, the ICC shall record the settlement so arrived and forward the same to the employer to take action as specified in the recommendation. The ICC shall provide the copies of the settlement to the aggrieved woman and the respondent.

Inquiry

Upon receipt of the written complaint from aggrieved women, 1 copy of the complaint is to be sent to the respondent within 7 days of receipt. Upon receipt of the copy of complaint, the respondent is required to reply to the complaint along with a list of supporting documents, and names and addresses of witnesses within 10 working days.

The Inquiry has to be completed within a total of 90 days from the receipt of the complaint. The Inquiry report has to be issued within 10 days from the date of completion of inquiry. The employer is required to act on the recommendations of the IC within 60 days of receipt of the Inquiry report.

During the pendency of an inquiry on a written request made by the aggrieved woman, the Internal Committee or the local Committee, as the case may be, may recommend to the employer to—

- transfer the aggrieved woman or the respondent to any other workplace; or
- grant leave to the aggrieved woman up to a period of 3 months; or
- grant such other relief to the aggrieved woman.

The leave granted to the aggrieved woman under this section shall be in addition to the leave she would be otherwise entitled.

Punishment

The POSH Act prescribes the following punishments that may be imposed by an employer on an employee for indulging in an act of sexual harassment:

- punishment prescribed under the service rules of the organization;
- if the organization does not have service rules, disciplinary action including written apology, warning, reprimand, censure, withholding of promotion, withholding of pay rise or increments, terminating the respondent from service, undergoing a counselling session, or carrying out community service; and
- deduction of compensation payable to the aggrieved woman from the wages of the respondent.

The POSH Act also envisages payment of compensation to the aggrieved woman. The compensation payable shall be determined based on the following:

- the mental trauma, pain, suffering and emotional distress caused to the aggrieved employee;
- the loss in career opportunity due to the incident of sexual harassment;
- medical expenses incurred by the victim for physical/ psychiatric treatment;
- the income and status of the alleged perpetrator; and
- feasibility of such payment in lump sum or in instalments.

Frivolous complaints

In order to ensure that the protections envisaged under the POSH Act are not misused, provisions for action against false or malicious complainants have been included in the statute. As per the POSH Act, if the ICC concludes that the allegation made by the complainant is false or malicious or the complaint has been made knowing it to be untrue or forged or misleading information has been provided during the inquiry, disciplinary action in accordance with the service rules of the organisation can be taken against such complainant.

Where the organisation does not have service rules, the statute provides that disciplinary action such as written apology, warning, reprimand, censure, withholding of promotion, withholding of pay rise or increments, terminating the respondent from service, undergoing a counselling session, or carrying out community service may be taken. The POSH Act further clarifies that the mere inability to substantiate a complaint or provide adequate proof need not mean that the complaint is false or malicious.

Consequences of non-compliance

If an employer fails to constitute an ICC or does not comply with the requirements prescribed under the POSH Act, a monetary penalty of up to INR 50,000 may be imposed. A repetition of the same offence could result in the punishment being doubled and de-registration of the entity or revocation of any statutory business licenses.

Role of Company Secretary in Employment under POSH Act

The role of Company Secretary in employment under the Act includes the following:

- Constitution of Internal Complaints Committee;
- Registration of Internal Complaints Committee with the Government, if required;
- Impart training to the members of the Committee for effective redressal of complaints based on the principle of natural justice;
- Conduct orientation programmes for members of the Committee;

- Organise workshops and awareness programmes at regular intervals for sensitising the employees with the provisions of the Act;
- Preparation of Code of conduct for inquiry of complaints;
- Assist in securing the attendance of respondent and witnesses before the Committee;
- Preparation of Annual report containing number of cases filed and their disposal under the act;
- Submission of Annual report to the Board of Directors and Appropriate Government Authority.

Whether this existing framework is doing well?

The answer is no. In spite of the enactment of the POSH Act in 2013, the Ministry of Women and Child Development ("**MCD**"), Government of India has been receiving sexual harassment complaints from females and that's reason why the MCD had launched an online complaint platform named "**SHe-Box**" which stands for "Sexual Harassment Electronic Box" which allows female employees or visitors a platform to raise complaints of sexual harassment at the workplace. It can be accessed at www.shebox.nic.in.

The reasons for establishment of She-Box includes the following:

- There are many organisation which does not have a fully functional ICC.
- There are least awareness of POSH Act amongst the employers.
- Many a times, female employees do not have enough confidence in their employer's internal complaint mechanism.
- Sometimes, female employees are scared to make complaint due to the fear of job loss or reputation loss.
- Female employee prefer not to complaint to ICC because of biased opinion towards employers.
- Female employee prefer not to complaint to the ICC due to delay in investigation.

In the event that a formal complaint is lodged with the She-Box, based on an assessment of the complaint, the WCD will direct such complaint to the employer's ICC. The WCD also proposes to actively monitor the progress of inquiry conducted by the ICC and keep the complainant updated. The WCD promises to ensure that the identity of the aggrieved women / complainant is kept confidential.

Conclusion

The introduction of SHe-Box is a positive step of the Indian government in its continuing efforts to provide a safe and fair working environment for women. With this initiative, female employees now have another channel to raise workplace sexual harassment complaints. The government will however need to quickly implement the requisite infrastructure and resources to manage this initiative to achieve the desired objectives.

In the last couple of years, sexual harassment issues have been widely covered in the Indian media. Recent, #MeToo movement in social media is the classic example of how women are coming forward to raise these issues in public forum. Given the litigational and reputational risks associated with non-compliance of the law, it is high time that employers take affirmative steps in implementing zero-tolerance policies towards sexual harassment at their workplaces and ensure that the complaint is investigated swiftly, comprehensively and confidentially.

References:

1. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
2. <https://indiankanoon.org>
3. www.shebox.nic.in



Valuation Factsheet on AIFs

Contributed by :- CA. Nitin Pahilwani

Email :- nitin@npahilwani.com

The valuation regime concerning AIF is still evolving in India. In this article, we tried to compendious valuation paradigm for Alternative Investment Funds in India. AIFs and Investments into AIFs have been progressively growing in India.

Investments raised by AIFs reached around 29.0 Bn USD by December 2020 and commitments for investments reached 60 Bn USD mark and investments by AIFs in alternative assets reached 25 Bn USD. India still has a low base and a long way to go compare to the US & Europe. US has 10 Tn USD of AIF Investment and Europe has USD 7 Tn USD in 2019. US is about to reach 14 Tn USD by mid-2023.

This year, the AIF regime saw the introduction of performance benchmarking and standardization of the Private Placement Memorandum, to formalize a common industry practice, while ensuring flexibility for the AIF Managers.

Requirement under SEBI (Alternative Investment Funds) Regulation, 2012

The AIF shall provide a description of valuation procedure and methodology for valuing assets to its investors. Cat-I and Cat-II Alternative Investment Funds shall undertake valuation of their investments by an independent valuer at least once every six months

Such period may be increased to one year on approval of at seventy-five percent of the investors by the value

Cat- III AIFs shall ensure that calculation of the net asset value (NAV) is independent of the fund management function and NAV shall be disclosed to the investors at intervals not longer than

- a quarter for close-ended funds and
- a month interval for open-ended funds.

Material changes in AIF Structure

In cases of material changes significantly influence the decision of the investor to continue to be invested in the AIF. Changes like change in sponsor/manager, change in control of sponsor/manager, change in fee structure or hurdle rate.

The following process shall be followed by the Fund:

Existing unit-holders who want to discontinue post the change shall be provided an exit option. The unit holders shall be provided with one month for expressing their dissent.

AIF is open-ended

the exit option may be provided to the investor by either of the following:

- Buying out of units of the dissenting investors by the manager/ any other person as may be arranged by the manager, valuation of which shall be based on the market price of underlying assets.
- Redemption of units of the investors through the sale of underlying assets.

AIF is close-ended

the exit option may be provided as under:

- The exit option shall be provided by buying out of units of the dissenting investors by the manager/ any other person as may be arranged by the manager.
- Before buying out of such units, the valuation of the units shall be undertaken by 2 independent valuers and the exit shall be at a value not less than the average of the two valuations.

Submission to Benchmarking Agencies

AIFs shall report all the necessary information including scheme-wise valuation and cash flow data, for all their schemes which have completed one year from the 'First Close', to the Benchmarking Agencies within 45 days from the end of every half-year ending on 30th September and within 6 months from the end of every half-year ending on 31st March. Currently, Crisil is benchmarking agency for AIFs.

Any changes to valuation principles shall be informed in the immediate next data submission to the Benchmarking Agencies

Determination of NAV of Units

TPPM states to lay down valuation policy and asset class wise allocation of valuation methodology [description about the valuation of asset classes should be provided for each asset class that is contemplated to be targeted by the Fund/Scheme

Type of asset class

- Valuation methodology to be followed and the basis of such valuation
- Whether valuation of such asset class shall be based on the asset class being traded or non-traded
- Frequency of valuation
- Calculation of the NAV for the asset class, which shall include the applicable formulae for valuation as well
- Any other asset class-specific detail that may be relevant from the point of view of valuation of the same
- Illustrative examples of how the units shall be issued at different NAV for each asset class

Subsequent Offering

In case of subsequent offering, Fund has to state the basis of charging subscription price whether fixed or dependent on the valuation of units, and basis of valuation in such determination (if applicable). As per our view, valuation taken at last measurement date is valid in this case unless the Fund is of the opinion that material event/development happen between the last measurement date and subsequent offering hence new valuation report.

Principles of Portfolio Valuation

In the Private Placement Memorandum, the manager shall lay down the principles for the valuation of a portfolio companies. The fund has to mention details about the external valuer, frequency of valuation, Valuation principles used by the Fund/Scheme, and any other guiding principles relevant for the investor to know.

Valuation principles

As AIF regulation state to form policy on Valuation principles used by the Fund. Fund/Scheme have the option to adopt suitable Internationally accepted valuation principles. In Indian context, Fund can follow International Private Equity and Venture Capital Valuation Guidelines, International Valuation Standard by IVSC or Ind AS- 113 'Fair Value Measurement'. Fund/Scheme advise to follow International Private Equity and Venture Capital Valuation (IPEV) Guidelines for valuation of portfolio companies. In case of deviation from IPEV guidelines then they have to state the same in the supplementary section and specifies valuation tracking

International Private Equity and Venture Capital Valuation Guidelines

The objective of these Guidelines is to set out best practices where private equity Investments are reported at "Fair Value", with a view to promoting best practices and hence helping investors in Private Funds make better informed and economic decisions.

MOU with IPEV & IVSC

Global valuation standards continue to evolve. The IPEV Board has entered into an understanding with the International Valuation Standards Council (IVSC) to promote consistency between the IPEV Board's Valuation Guidelines and International Valuation Standards (IVSs) and to enable these Valuation Guidelines to be positioned as providing sector-specific application guidance of the principles in IVS. A valuation of Private Capital Investments prepared following the IVSs and following these Valuation Guidelines will be consistent with the requirements of applicable financial reporting standards and will also maximize investor's trust and confidence.

Global Practice

USA

The Securities and Exchange Commission [SEC], in December 2020 adopted a new Rule 2a-5, an updated regulatory framework for fund valuation practices. The new rule confirms that a board can make fair value determinations itself. Subject to additional conditions and oversight requirements, the rule also permits a fund to assign a "valuation designee,".

Previously, AIFs were not allowed to delegate this responsibility and took ultimate responsibility themselves. The valuation designee must provide to the board at least quarterly and annual reports in writing along with a summary or description of material fair value matters relevant to the fund in the last year or quarter and various material changes

Fair value methodology used for this purpose must be consistent with ASC Topic 820 "Fair Value Measurement". However, the SEC accepts that there is no single methodology for determining the fair value of investment "because fair value depends on the facts and circumstance of each investment, including the relevant market and market participants."

The Valuation Designee along with the board must actively oversee all of the following:

- Periodic assessment and management of valuation risks
- Establishment and application of fair value methodologies
- Testing of fair value methodologies for appropriateness and accuracy
- Oversight and evaluation of pricing services
- Board reporting
- Recordkeeping

Europe [AIFMD]

For performing proper and independent valuation of AIF investments & assets, The Alternative Investment Fund Managers Directive [AIFMD] requires fund managers to establish and maintain consistent written procedures. The valuation may be carried out by the AIFM itself or it may appoint an external independent valuer.

One or more external Independent valuers may be appointed to carry out the valuation of a fund. The valuer must be professionally recognized and must be in a position to offer professional guarantees, which should be in written form and should confirm the valuer's qualification and capability to perform the function under AIFMD and local law requirements.

Despite any delegation to a valuer, the AIFM remains ultimately responsible for the proper valuation of its investment & assets. The rules applicable to the valuation of investments, assets and the calculation of the NAV per unit or share of the AIF shall be laid down in the law of the country where the Fund is incorporated and/or in the AIF rules or instruments of incorporation.



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CA. Dheeraj Sharma
Speaker



CA. Parag Rathi
Speaker



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CA. Aniket Talati
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Speaker

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Inauguration



CA. Uday Gujar
Chief Guest



C. V. Chitale
CCM



CA. (Dr.) S. B. Zaware
Speaker



CA. Shashikant Lonikar
Speaker



Panel Discussion from L to R:-
CA. Milind Gramopadhye - Moderator,
CA. Milind Limaye - Panelist, CA. Ranjeet Kulkarni - Panelist



Panel Discussion from L to R:- CA. Rajendra Ponskhe - Panelist,
CA. Shirish Deshpande - Moderator,
CA. Madhavi Dandekar - Panelist



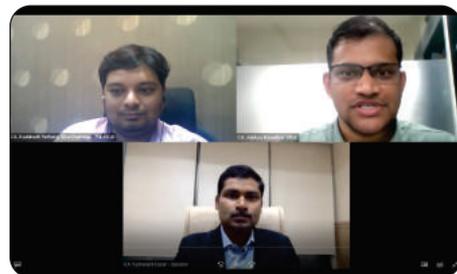
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Ms. Aarti Navandar Rathi
Speaker

Virtual Programme on "GST on Real Estate"



CA. Yashwant Kasar
Speaker

Virtual Programme on Holi Ke Rang Sher-o-Shayari Ke Sang



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CA. Sameer Ladda...

CA. Sandeep Desar...

CA. Jalaj Baheti

Mr. Shekhar Kaushi...

CA. Rajkumar Char...

CA Dheeraj Sharma...

CA. Charanjot Sing...

CA. C. V. Chitale, C...

CA. Jhulfesh Shah ...

CA. Payal Jhanwar ...

Poem on “Look above and beyond”

Contributed by :- CA. Shruti Gaurav Mundada

Email :- shrutikabra@ymail.com

When the entire world seems in distress;
When nothing you intend seems to fall in place;
'Look' above and beyond, your shut eyes will find you eternal solace.

When the castles of your dreams seem to fall apart;
When life seems to aim at you it's wicked dart;
Look above and beyond, you perhaps need to make a dramatic restart.

When your sacrifices don't give you enough satisfaction;
When your goal seems a hallucination;
Look above and beyond, your journey so far indeed calls for a celebration.

When you seem to have lost the difference between need and greed;
When, in a crowd of billions, you find yourself an unworthy weed;
Look above and beyond, Make peace with yourself, you were born to lead.

When you feel 'living' life could be postponed to another futuristic occasion;
No matter how swiftly you chase your world of illusion;
Look above and beyond, your deathbed would be your ultimate 'un'settling destination...

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Plot No.8, Parshwanath Nagar, CST No. 333,
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